Governors tell FERC transmission reform needed

Denver, CO, Dec. 7, 2006 -- Western Governors have urged the Federal Energy Regulatory Commission (FERC) to adopt transmission reforms that would promote more flexible use of the existing transmission system and provide greater access for generators of intermittent energy, such as wind, so they can get their product to market.

Studies show that many Western transmission paths operate at full capacity for only short, seasonal periods during the year, said the Western Governors' Association. The Association, in a letter to FERC, said a new category of transmission service called "conditional firm" would allow generators of intermittent energy to obtain long-term guarantees to transmission lines during the off-peak periods. Guaranteed access to transmission is essential for intermittent generators to obtain financing for their projects, said the Association.

The governors also support "re-dispatch" reforms to promote more efficient use of the transmission system. Depending on the minute-to-minute power flows over the transmission grid, generators in different parts of the grid can be ramped up or ramped down to increase the capacity of grid to move more and lower-cost power. This re-dispatch of generation can lower costs to consumers, claimed the Association.

"We believe that conditional firm transmission service and re-dispatch are important services to fully utilize the existing transmission grid and to enable new intermittent generation resources to reach markets," the governors said. "Greater use of the existing transmission system is a necessary complement to the concerted effort of Western Governors to expand the Western transmission system."

The governors' adopted a policy resolution earlier this year supporting the new rule. The policy was based on recommendations developed by stakeholders who participated in WGA's Clean and Diversified Energy Advisory Committee. The rule change was one of several recommendations the committee made in hopes of developing 30,000 megawatts of clean and diversified energy resources, and to ensure the region will have secure, reliable transmission for the next 25 years.

For more information on FERC's transmission siting rule, click here.

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